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MoGas
Pipeline LLC

August 28, 2009

Mr. Ivan A. Huntoon
Director, Central Region
Pipeline and Hazardous Materials Safety Administration
901 Locust Street, Suite 462
Kansas City, MO 64106-2641

Response to Warning Letter: CPF 3-2009-1014W

Dear Mr. Huntoon:

In March 2007, representatives of the Pipeline and Hazardous Materials Safety Administration and the Missouri Public Service Commission inspected the MoGas Pipeline Integrity management plan. In July 2009, MoGas was informed of potential violations found during that inspection – provided below is MoGas Pipeline response to each item found in the Warning letter CPF 3-2009-1014W:

Item 1A: It is evident there is a misunderstanding with regard to the Algana site. The City of St. Peters had planned for the construction of an urban levee and development of an industrial park; MoGas worked with the city for several years to relocate the existing Algana meter station and pipeline in order to accommodate this plan, resulting in relocation of the TBS 1.5 miles north while the remaining pipeline between the levee and the existing Algana site was transferred to the local distribution company to be used for gas distribution within the industrial park. The Algana meter station had already been relocated and the pipeline pressure reduced at the time of the inspection. The pipeline was transferred to the LDC in July 2007.

It was a fully informed company decision to not identify the Algana site as a covered segment; doing so would have ultimately become moot in light of the known plan to relocate and transfer the existing assets. This is the reason the Algana site was not identified as an HCA, and was not an error as suggested in your letter. With the completion of the relocation and pipeline transfer, the buildings at the former Algana location are well outside any distance used to define a covered segment and therefore are not included in the IMP. MoGas believes it has correctly identified all relevant HCAs along its pipeline system in accordance with Subpart O, and in this case has improved safety by removing the transmission pipeline from a populated area altogether. Any suggestion that the plan should have first included the Algana site and then been revised to remove the site is a circular exercise and of no value to pipeline safety.

Item 1B: MoGas maintains an active involvement in public awareness programs including contact with public officials. It is our experience that HCA site identification through public officials is not reliable, decreases public officials perception that pipeline operators know their own systems, and generally irritates

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public officials. To the extent that a public official will identify a potential site, we will investigate and therefore comply with the basic requirement of this section. We also post significant signage along the pipeline route and thus provide support for discovery of potential identified sites via visible markings per 192.905(b)(2)(i).

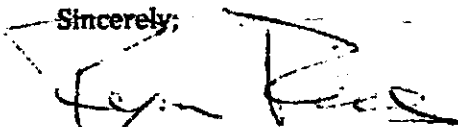
Of specific concern is the suggestion that MoGas only made "a good faith effort" to locate identified sites. Specifically, MoGas examined every mile of pipeline in its system by FOOT patrol for ANY building or location within the potential impact radius, and in every case where there was a question whether or not a building or location was an identified site, a company representative made personal contact to gather the necessary information to determine if it met the requirements of an identified site. MoGas considers this approach to be more accurate, above and beyond that required "through routine operation and maintenance activities", and far superior than relying on public officials to inform the operator of the location of possible identified sites. While we are continuing to evolve this approach into a routine operation to provide the latest up to date identification, we have yet to have a public official identify a site that we are not already aware.

Item 2A: The report was late; however, it should be noted that there was nothing of significance to report.

Item 3A: See comments for Item 1A - the analysis of the effects of the pipeline change at Algana were already included in the plan by eliminating the Algana location as an HCA. The pipeline relocation at Wentzville had no impact to the integrity management plan. All future changes will be analyzed in due process as an evolving plan should.

Please be assured that MoGas takes this program and compliance very seriously. We are always looking for ways to improve the effectiveness of our compliance programs and safety of our operations. I sincerely hope you understand that implementation of a program of this complexity on a small pipeline system is a difficult task especially considering the regulation is written as one size fit all formula without regard to company size or resources.

Sincerely;



Ryan Ries
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